GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3091
ANSWERED ON:22.03.2002
FALL IN COFFEE PRICES
BASANGOUDA PATIL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are aware of steep fall in coffee prices; (

(b) if so, whether the Government have taken steps to arrest the fall of coffee prices and to save coffee growers; and (

(c) if so, the details of the steps taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) : Yes, Sir.

(b) & (c): With the liberalisation of coffee industry, the trade is in the private hands and the prices of coffee are determined by the market forces of demand and supply. However for the benefit of coffee growers, the Govt. of India through Coffee Board has been operating several plan schemes under which various types of financial and technical assistance are provided to the growers. Further thrust is being given for increasing productivity of coffee particularly in small grower sector and improving quality of the product to achieve competitiveness in the international market. The Board is also encouraging large growers to produce specialty coffee which fetches attractive premium in the developed countries. All these steps are expected to stabilize the prices in the long run and ensure remunerative return to the growers.

In addition, at the behest of Govt. of India, the commercial banks haverescheduled the crop loans of small coffee growers and are also extending fresh loans to them. The Board is also implementing an interest subsidy scheme, which provides 5% interest subsidy relief to targeted small coffee growers on working capital loans availed by them from the banks The Govt. of India has also approved a scheme to provide financial incentive of Rs. 500/- per ton to coffee exporters for reducing the handling costs like transportation, packing, etc. from the coffee procurement locations (estates or processing centres) to the port points.

Coffee Board is also implementing a medium-term export strategy to sustain and gain market share in the key markets and also to improve the competitiveness of Indian Coffee in the global markets over the next few years.